G. R. S. IX-5]

Previous references.

File No. 42 of 1897

Serial Nos. 1–2

191

(Banking)

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for November 1897.

SUBJECT.

Proposal for the Modification of rules laid down in Memorandum and Articles of Association of Agricultural Banks

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Indexed
JM

Countersigned

W D 88—GPB—50,000—24-7-18

Notification.

The 14th December 1887.

No 161 — His Highness the Maharaja's Government hereby sanction the introduction of the following rules in respect of Government Savings Banks in supersession of all existing Rules on the subject.

The new rule will come into force from the 1st April 1888.

I — In the Rules: —

"Depositor and "Deposit" bear the meaning which they bear in The Government Savings Bank Act 1873."

"Account means the account of a Depositor in a Government Savings Bank.

"Balance" means the balance at credit of an account.

II — Any person may become a Depositor on his own behalf, or on behalf of any other named person dependent upon him. Deposits may also

also be made by the Managers of Municipal Benevolent or other Public Associations or by Public officers, of money deposited with them ex-officio as security for the discharge of any public duty or for the fidelity of any Public officer or for the accomplishment of any public object.

III — Subject to the provisions of these Rules, the Government of Mysore guarantees the repayment of every deposit with interest.

IV — Without the Sanction of the Comptroller, no Account will be opened for less than One Rupee, and no person may deposit more than Five Thousand Rupees in all, between the 1st of April in any year and the 31st March of the following year.

V — Interest will not be allowed upon a smaller balance than Rs $1\frac{2}{3}$, or upon the excess in any balance over the highest multiple of Rs $1\frac{2}{3}$.

VI — Interest will be allowed for each Calendar Month upon the minimum Balance of the Account between the close of the Fourth Day and the end of the Month.

VII — Till further notice, interest will be allowed upon deposits at the rate of one pie a Month for every Rs 1-10-8, which is equal to one anna for every Rs 20, being at the rate of Rs $3\frac{3}{4}$ per centum per annum. Without the sanction of the Comptroller, no higher Monthly Interest will be allowed upon any balance than Rs $15\frac{5}{8}$, being the interest upon Rs 5,000.

In calculating interest, one anna will be taken as the interest for one month on every twenty rupees of the amount entitled to bear interest; and for broken sums below twenty rupees the following table will be used: —

Principal	Interest	Principal	Interest
Rs as P.	A. P.	Rs As P.	As. P.
1-10-8	0-1	11-10-8	0-7
3-5-4	0-2	13-5-4	0-8
5-0-0	0-3	15-0-0	0-9
6-10-8	0-4	16-10-8	0-10
8-5-4	0-5	18-5-4	0-11
10-0-0	0-6	20-0-0	1-0

Example - Required interest for one month on Rs 134-6-10.

		Rs-A-P
Interest on	Rs 120-0-0	0-6-0
"	14-6-10	0-0-8
Total	134-6-10	Total 0-6-8

VIII — Every Account will be made up on the 31st March, and the interest then due, calculated under these Rules, added to the Balance upon which future interest will accrue. If an account is closed on any other date, interest due to the end of the preceding Calendar Month will

will be paid to the Depositar, but a Depositar who closes an Account should not, ordinarily, be permitted immediately to re-open it, except on payment of a fine varying at the discretion of the Treasury Officer from one to Ten Rupees.

IX — Whenever a Depositar changes his residence, an Account may be transferred, free of charge, to the Government Savings Bank in the District to which the Depositar is removing. Without the special permission of the Comptroller, an Account may not be otherwise transferred from one Bank to another.

X — A Deposit Book will be supplied to each Depositar, in which the Treasury officer will acknowledge every deposit. The personal attendance of a Depositar is not required, but no Deposit will be received, or payment made, without the Depositar's Deposit Book, and the Government will not be

responsible for any Deposit the receipt of which is not acknowledged in a Deposit Book. The interest, due to date, will be entered in each Deposit Book the first time that it is produced after the 31st March. The first Deposit Book will be supplied free of charge; but, if a Deposit Book is lost or injured, or if a closed Account is re-opened, one Rupee will be charged for a new book.

XI — Without special permission, a Depositor may not draw upon his Account more than once in thirty days, or open more than one Account in his own name or in the name of any member of his family, or for his own benefit or the benefit of any member of his family. The Comptroller must take precautions to prevent any transgression of this Rule, and, in particular, any employment of an Account as an ordinary drawing Account. This rule

is

is not meant to prevent anyone from opening more than one ex-officio, or public Account.

XII — The Treasury officer may refuse to open any Account, or may close any Account, for any sufficient reason, as, for example, because he thinks that the Account is likely to be used, or is being used, contrary to the object with which Government Savings Banks are established, namely, the encouragement of saving. But every such refusal or closure, and the reasons for it, should be reported to the Comptroller.

XIII — When the Treasury officer thinks it proper to close any Account, he shall give notice in writing to the Depositor of such closure. After the date of such notice, no deposit shall be accepted on the Account so closed and no interest shall be allowed upon the Balance of the closed Account after the end of the Calendar Month then current.

XIV

XIV — These Rules apply aswell to Accounts opened before as after their publication. Save that upon Accounts opened before the date of the Rules, interest will be calculated, up to the 31st March 1888, at the rate of 4½ per centem per annum.

XV — The Government of Mysore reserves the right to alter or add to these Rules at any time.

XVI — A copy of the Government Savings Banks Act 1873, and of these Rules, shall be printed in each Deposit Book delivered after this date, and the signature, or, if he cannot write, mark, of the Depositor obtained to the annexed declaration before any deposit is accepted from him.

XVII — These Rules shall come into force from the 1st April 1888.

Declaration to be recorded in accordance with Rule XVI.

J.

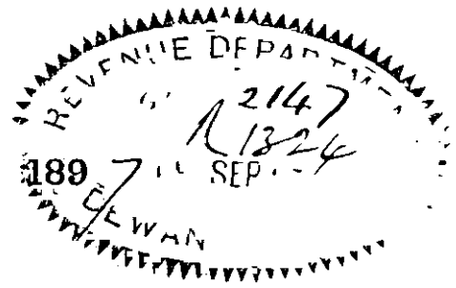
I, acknowledge that I have read these Rules (or, if he cannot read, that these rules have been read to me).

Dated.

"Copy"

To Secretary
Submitted for the orders of Govt. a copy of the Savings Bank Rules herein referred to.
JB 14/10/97

16/10/97 Offg Gr-97



From

The Comptroller, Mysore Govt

To

The Secretary to the Govt. of Mysore

Revenue Dept.

Dated

Despatched 18 September

Received

I.F. No. 2622

Spl. Asst. No. 915.

SUBJECT MATTER.

With reference to para 40 of the Memorandum & Articles of Association presented to Govt. Pro: 4453-62 Fc 236 dy 1st Dec/95 for the use of Agricultural Banks Suggests Certain modifications of the same.

Rev 2079/97

17/10

SS. 27-10-97

Spl. Audit Dept.

~~In F~~ No. 2022/915 OFFICE OF THE COMPTROLLER, MYSORE GOVT.

Bangalore, the 14th September 1897

From

E. R. SUBRAYER, Esq.,

Comptroller, Mysore Govt.

To

The Secretary to the Govt. of Mysore,

Genl. & Rev. Dept.s

Sir,

With reference to para 40 of the Memorandum and Articles of Association prescribed in Govt. Pro: No. 4453-62. Fl 236 dated 1st December 1895 for the use of Agricultural Banks wherein it is laid down that the Cash Balance in the hands of the Board of Directors shall not exceed a certain sum and that all sums in excess thereof shall be lodged in a Govt. Treasury, or deposited in the Govt. Savings Bank to be drawn upon from time to time as occasion may arise, I have the honor to request the favor of being informed as to the interpretation which the Govt. desires

desires to put upon the word "lodged" in the above rule. whether it is intended that the surplus cash tendered should merely be kept in Govt. Treasuries for safe custody or that they should be brought on the Treasury accounts.

2. In the former case, the Agricultural Banks will have to arrange to keep such balances in boxes of their own duly locked and sealed and to lodge such boxes in Treasuries for safe custody as is done by the Public Works Department and other departmental officers. This will be easy enough in the case of Banks established in District and Taluq Head Quarters, but in the case of those in out of the way places it will be difficult, on account of distance, to be constantly sending such cash chests to and fro. But whether there may not arise complication in future as regards the amounts lodged when, from any cause, the contents of such boxes

boxes are found missing, is a question which I leave for the consideration of Govt.

3. Should such amounts however be brought to account, the amounts tendered have to be credited either to deposits or to the Loan accounts of the Banks concerned. But to credit such sums to Deposits will still further encumber the already heavy deposits accounts, entailing a greater amount of labor both on my office and on the Treasuries concerned and will render the entertainment of extra hands necessary. If on the other hand they are to be credited to Loan accounts, the matter becomes very ~~single~~ Simple as will be shewn furtheron.

4. As regards depositing such amounts in Savings Banks, the rules do not allow any one to deposit more than Rs: 5.000/- in all between any 1st July and the 30th of June following nor do they

they entitle him to use the Bank for keeping a current account. I therefore beg to be informed if the rule in the Memorandum under reference is intended by Govt to modify the Savings Bank rules published in Govt Notification No. 161 of 14th December 1887. Even then the same difficulty that is met with in treating such amounts as deposits would present itself here. The Agricultural Banks are fast multiplying and the large number of deposits they make will naturally increase the work of the Savings Banks which is already very heavy.

only to that extent of rules can be varied under the Savings Banks Act

X Copy Ref A

5. Whether such surplus is treated as Savings Bank or Revenue Deposits or lodged in the Treasury merely for safe custody the Agricultural Banks will suffer under a disadvantage as such amounts will have to be treated as part of the Banks' balance and the Banks will, in consequence, get no interest, except for balances of Rs. 5000/- and under deposited in Savings Banks while Govt levies the full rate of interest on all balances outstanding against the Banks.

6. The plan of crediting the amounts to Loans or in other words of allowing

Agricultural

Agricultural Banks to keep current accounts with Govt Treasuries and to operate on them as necessity arises, is easy, as any money that is returned by them will be credited, and any money paid to them debited at once to their loan accounts and interest calculated and collected only on the actual balances.

This is made by Rule was omitted.

This plan, besides being fair ~~both~~ by and advantageous to the Banks themselves, ~~& good~~ does not encumber the deposit or Savings Bank accounts and leaves the Banks free to reduce the loan when they find they have more cash than is required or to raise it up to the sanctioned limit when the demand is greater than can be met from the balance in hand.

7. Should the Govt agree with me in this interpretation, I request the favor of early orders as the Inspector of Agricultural Banks has reported that some of the Taluq Treasuries, which have credited such amounts to the loan account refuse to refund the same when demanded by the Public Money ~~be~~ Rule lately issued by

by

by the Banks.

I have the honor to be

Sir

Your most obed^{t} Servant

E. Mongrain

Comptroller

hm

Copy a

Read —

Letter No 2022 dated Sfl: 4-10-915
18th September 1897 from the Comptroller, Mysore Govt, Soliciting ~~certain~~ instructions as to the interpretation and practical working of the rule laid down in para 40 of the Memorandum of articles of Association of Agricultural Banks, to the effect that the cash balance in excess of the amount allowed to remain in the hands of the Board of Direct of the Bank shall be lodged in a Govt Treasury or deposited in a Govt Savings Bank.)

* To be printed in extenso.

No 4001-10 Fl. 393 dt 3/11/97.

Ofc order thereon: —

Govt Consider that no modification of the ~~Rules~~ Rule is necessary. The meaning of para 40

is that Sums paid into the Treasury should be credited to loan account and that there should be a current account between the Agricultural Bank and the Treasury, interest being charged on actual balances only, and that should any Agricultural Bank prefer to deposit its excess balance in a Govt Savings Bank such deposit can only be made to the extent per-missible under the Savings Bank Rules and subject to the conditions therein prescribed.

Print
Yes
29/10/97

Secretary
1-11-97
30/10/97

To.
The Comptr, Alys and Govt
" Dy Commrs of Distns.
" Inspector of Ammunition
Bx to —

READ THE FOLLOWING:—

Letter No. 2022—Spl. Audt. 915, dated 18th September 1897, from the Comptroller, Mysore Government.

With reference to para 40 of the Memorandum and Articles of Association prescribed in Government Proceedings No. 4453-62—Fl. 236, dated 1st December 1895, for the use of Agricultural Banks, wherein it is laid down that the cash balance in the hands of the Board of Directors shall not exceed a certain sum and that all sums in excess thereof shall be *lodged* in a Government Treasury, or deposited in the Government Savings Bank to be drawn upon from time to time as occasion may arise, I have the honor to request the favor of being informed as to the interpretation which the Government desires to put upon the word *lodged* in the above rule—whether it is intended that the surplus cash tendered should merely be kept in Government Treasuries *for safe custody* or that they should be brought on the Treasury accounts.

2. In the former case, the Agricultural Banks will have to arrange to keep such balances in boxes of their own duly locked and sealed and to lodge such boxes in Treasuries for safe custody as is done by the Public Works Department and other Departmental Officers. This will be easy enough in the case of Banks established in district and taluk head-quarters; but in the case of those in out-of-the-way places it will be difficult, on account of distance, to be constantly sending such cash chests to and fro. But whether there may not arise complication in future as regards the amounts lodged when, from any cause, the contents of such boxes are found missing, is a question which I leave for the consideration of Government.

3. Should such amounts however be brought to account, the amounts rendered have to be credited either to deposits or to the Loan Accounts of the Banks concerned. But to credit such sums to Deposits will still further encumber the already heavy Deposits Accounts, entailing a greater amount of labor both on my office and on the Treasuries concerned and will render the entertainment of extra hands necessary. If on the other hand they are to be credited to Loan Accounts, the matter becomes very simple as will be shown further on.

4. As regards depositing such amounts in Savings Banks, the rules do not allow any one to deposit more than Rs. 5,000 in all between any 1st July and the 30th of June following, nor do they entitle him to use the Bank for keeping a current account. I therefore beg to be informed if the rule in the Memorandum, under reference, is intended by Government to modify the Savings Bank Rules published in Government Notification, No. 161 of 14th December 1887. Even then, the same difficulty that is met with in treating such amounts as deposits would present itself here. The Agricultural Banks are fast multiplying and the large number of deposits they make will naturally increase the work of the Savings Banks which is already very heavy.

5. Whether such surplus is treated as Savings Bank or Revenue deposits or lodged in the Treasury merely for safe custody, the Agricultural Banks will suffer under a disadvantage as such amounts will have to be treated as part of the Bank's balance and the Banks will, in consequence, get no interest, except for balances of Rs. 5,000 and under deposited in Savings Banks, while Government levies the full rate of interest on all balances outstanding against the Banks.

6. The plan of crediting the amounts to Loans, or, in other words, of allowing Agricultural Banks to keep current accounts with Government Treasuries and to operate on them as necessity arises, is easy as any money that is returned by them will be credited, and any money paid to them debited at once to their Loan Accounts and interest calculated and collected only on the actual balances. This plan, besides being fair and advantageous to the Banks themselves, does not encumber the Deposit or Savings Bank Accounts and leaves the Banks free to reduce the loan when they find they have more cash than is required or to raise it up to the sanctioned limit, when the demand is greater than can be met from the balance in hand.

7. Should the Government agree with me in this interpretation, the rule may be modified accordingly. I request the favor of early orders as the Inspector of Agricultural Banks has reported that some of the Taluk Treasuries which have credited such amounts to the Loan Account refuse to refund the same when demanded by the Banks.

No. 4001-10—Fl. 393. DATED. BANGALORE, 3RD NOVEMBER 1897.

ORDER THEREON.—Government consider that no modification of the rule is necessary. The meaning of para 40 is that sums paid back into the Treasury should be credited to Loan Account and that there should be a current account between the Agricultural Bank and the Treasury, interest being charged on actual balance only, and that should any Agricultural Bank prefer to deposit its excess balance in a Government Savings Bank, such deposit can only be made to the extent permissible under the Savings Bank Rules and subject to the conditions therein prescribed.

C. SREENIVASIENGAR,
Secy. to Govt., Gen. & Rev. Depts.

To—The Comptroller, Mysore Government.
The Deputy Commissioners of Districts.
The Inspector of Agricultural Banks.

Exd.—B.A.E.

1897-98

GOVERNMENT OF MYSORE

FINANCIAL

PROCEEDINGS

Dated 3rd November 1897.

No. $\frac{4001\text{-}10}{\text{FI. }393}$

Observing that no modification is necessary of the rule laid down in para 40 of the Memorandum and Articles of Association of Agricultural Banks, regarding the disposal of the cash balance in excess of the amount allowed to remain in the hands of the Board of Directors of the Bank.

M.G.C.P.B.—15-11-97—250